

Message Text

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PAGE 01 MANAGU 01984 290732Z
ACTION ARA-14

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FM AMEMBASSY MANAGUA
TO USDOC WASHDC
INOO RUEHC/SECSTATE WASHDC 6447

UNCLAS MANAGUA 1984

E.O. 11652: NA
TAGS: BBSR, ECON, PINR, NU
SUBJECT: WTDR/FTI MAQUINAS Y EQUIPOS S.A.

REF: USDOC 2879

1. NICARAGUA
OFFICE USE: 2. 219 3. 0118100 4. 01
5. MAQUINAS Y EQUIPOS S.A.
6. APARTADO POSTAL 34
7. LEON
8. CONTACT: MR. ESTEBAN DUQUE ESTRADA
9. TITLE: GENERAL MANAGER
10. PHONE: 031/3509 11. TELEX: 0221
12. CALIBE: MYESA
13. ESTABLISHED 1972 14. EMPLOYEES: 6
15. SIZE: MEDIUM 16. REPUTATION: Y-FAIR
17. REPORT DATE: 07/78
OFFICE USE: 18. K 19. NA 20. X 21. NA 22. NA
23A. 35230/135 RETAILER, DISTRIBUTOR, IMPORTER OF AGRICULTURAL
MACHINERY AND EQUIPMENT.
23B. 3011/135 RETAILER, DISTRIBUTOR, IMPORTER OF TIRES.
24. FOREIGN SALES: LOCAL ONLY.
25. FINANCIAL REFERENCES: MANUFACTURERS HANOVER TRUST CO., NEW YORK,
NEW YORK; BANCO NACIONAL DE PARIS, PANAMA CITY, PANAMA. BANCO DE
AMERICA, BANCO NICARAGUENSE, BANCO NACIONAL DE NICARAGUA, ALL IN
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LEON, NICARAGUA.
26. TRADE REFERENCES: SAME AS ITEM 27 BELOW.
27. FOREIGN FIRMS REPRESENTED: WHITE MOTOR CORPORATION (WHITE FARM
AND INDUSTRIAL EQUIPMENT INTERNATIONAL CO.), 100 ERIEVIEW PLAZA,
CLEVELAND, OHIO, EXCLUSIVE DISTRIBUTION OF AGRICULTURAL MACHINERY
AND EQUIPMENT, ACQUIRED 1973; TOWNER MANUFACTURING CO., 2111 WEST
17TH ST., SANTA ANA, CALIFORNIA, EXCLUSIVE DISTRIBUTION OF HARROWS,

ETC., ACQUIRED 1973; ELECTRIC WHEEL INC., QUINCY, ILLINOIS, EX-
CLUSIVE DISTRIBUTION OF FARM WAGONS, ACQUIRED 1973.

28. POST EVALUATION: MAQUINAS Y EQUIPOS SA (MYESA) IS A MEDIUM-SIZE
AND FAIRLY WELL-KNOWN IMPORTER AND DISTRIBUTOR OF AGRICULTURAL
MACHINERY IN NICARAGUA. IT DISTRIBUTES TRACTORS, HARROWS, CULTIVA-
TORS, FARM WAGONS AND TRAILERS FOR A NUMBER OF U.S. CONCERNS AS WELL
AS SMALL, LOW-PRICED TRACTORS FOR A BRAZILIAN COMPANY. THE FIRM
HAS PRINCIPAL OFFICES IN THE CITY OF LEON AND A BRANCH IN CHANADEGA.
BOTH CITIES ARE LOCATED IN NICARAGUA'S BUSIEST AND MOST PRODUCTIVE
COTTON PLANTING AREA. THE STOCKHOLDERS OF THE CORPORATION INCLUDE
MR. ESTEBAN DUQUE ESTRADA, ITS GENERAL MANAGER AND VICE-PRESIDENT,
MR. MARCELO LANGRAND, A WEALTHY INVESTOR WITH HOLDINGS IN COTTON
PLANTATIONS AND COTTON GINS AS WELL AS IN SEVERAL OTHER AGRICULTURAL
ENTERPRISES; AND MR. EDGAR LACAYO SOLIS, A BUSINESSMAN. THE THREE
SHAREHOLDERS ARE WELL-KNOWN IN LOCAL CIRCLES AND ARE CONSIDERED TO
BE RESPONSIBLE BUSINESSMEN. THE FIRM'S LATEST AVAILABLE FINANCIAL
STATEMENT (AS OF AUGUST 31, 1977) REPORTS THE FOLLOWING: CURRENT
ASSETS US\$656,177, TOTAL ASSETS US\$683,000, CURRENT LIABILITIES US
\$360,102, NET WORTH US\$233,548, NET SALES US\$405,620,
NET LOSSES
DURING THE PERIOD US\$46,132, AND TOTAL ACCUMULATED LOSSES US\$79,690.
THE FIRM'S MANAGER REPORTS THAT ABOVE LOSSES HAVE BEEN CAUSED BY THE
CONTINUING DEPRESSED STATE OF THE AGRICULTURAL MACHINERY MARKET IN
NICARAGUA WHICH IS EVIDENCED BY THE FIRM'S FALLING VOLUME OF SALES
(APPROXIMATELY US\$700,000 IN 1976, US\$428,000 IN 1977; PROJECTED
SALES FOR 1978: US\$150,000). THE MANAGER ALSO STATES THAT THE FIRM'S
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BOARD OF DIRECTORS IS PLANNING TO MEET IN A FEW DAYS TO CONSIDER
WHETHER OR NOT TO INCREASE THE FIRM'S PAID-IN CAPITAL (PRESENTLY
AT US\$313,239). HE ALSO INDICATED THAT THE FIRM IS DEPENDING HEAVILY
ON MACHINERY CREDITS FROM ITS SUPPLYING FIRMS. THE FIRM'S THREE
BANK REFERENCES IN THE CITY OF LEON REPORT A SATISFACTORY EXPERIENCE
WITH THE FIRM ITS VARIOUS BANKING OPERATIONS, INCLUDING CREDITS
GRANTED WITH THE PERSONAL GUARANTY OF EACH OF ITS THREE SHARE-
HOLDERS. THE BANKS ADD THAT THE FIRM ENJOYS A GOOD REPUTATION AND
THAT IT IS CONSIDERED TO BE A SERIOUS AND RESPONSIBLE COMPANY. BASED
ON ABOVE BANKS' COMMENTS, THE FIRM IS SUGGESTED AS A TRADE CONTACT
FOR INTERESTED U.S. CONCERNS. THE EMBASSY, OF THE PRESENT STATE OF
THE AGRICULTURAL MACHINERY MARKET, STRONGLY RECOMMENDS THAT THE
FIRM'S FINANCIAL SITUATION AND CAPACITY BE EXAMINED CAREFULLY BY
ANY POTENTIAL TRADING PARTNER.

29. PREPARED BY:RJMONTES APPROVED BY:PAHAIGH
SOLWUN

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To: COM STATE
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